

News Release

Jonathan Liu (732) 991-1754 / jonathan.liu@tcb.org

For Release 10:30 AM ET, June 10, 2024

About the Leading Economic Index and the Coincident Economic Index:

The Leading Economic Index provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The Coincident Economic Index provides an indication of the current state of the economy. Additional details are below.

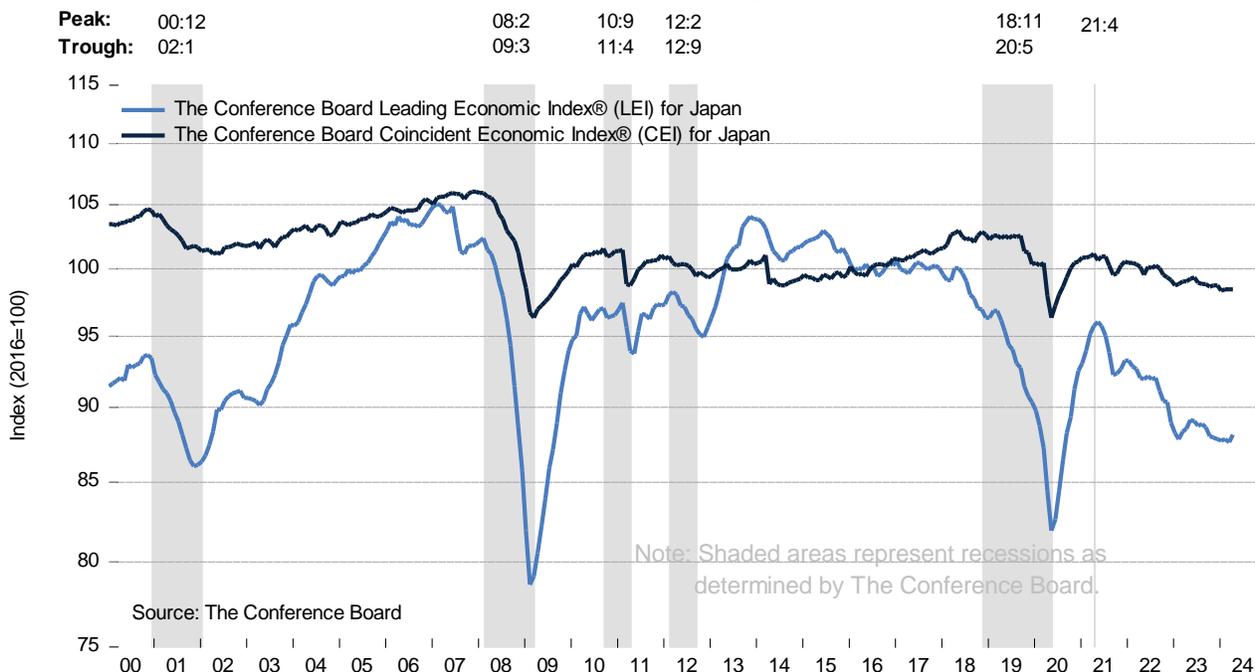
The Conference Board Leading Economic Index® (LEI) for Japan Increased in April

The Conference Board Leading Economic Index® (LEI) for Japan increased by 0.6 percent in April 2024 to 88.1 (2016=100), after declining 0.2 percent in March. As a result, over the six-month period ending in April 2024, the LEI for Japan inched up by 0.1 percent, a slight reversal from a 0.6 percent contraction over the previous six months.

The Conference Board Coincident Economic Index® (CEI) for Japan was unchanged in both March and April 2024 at 98.4 (2016=100). Over the six-month period from October 2023 to April 2024, the CEI for Japan fell by 0.2 percent, half the rate of decline of 0.4 percent over the previous six months.

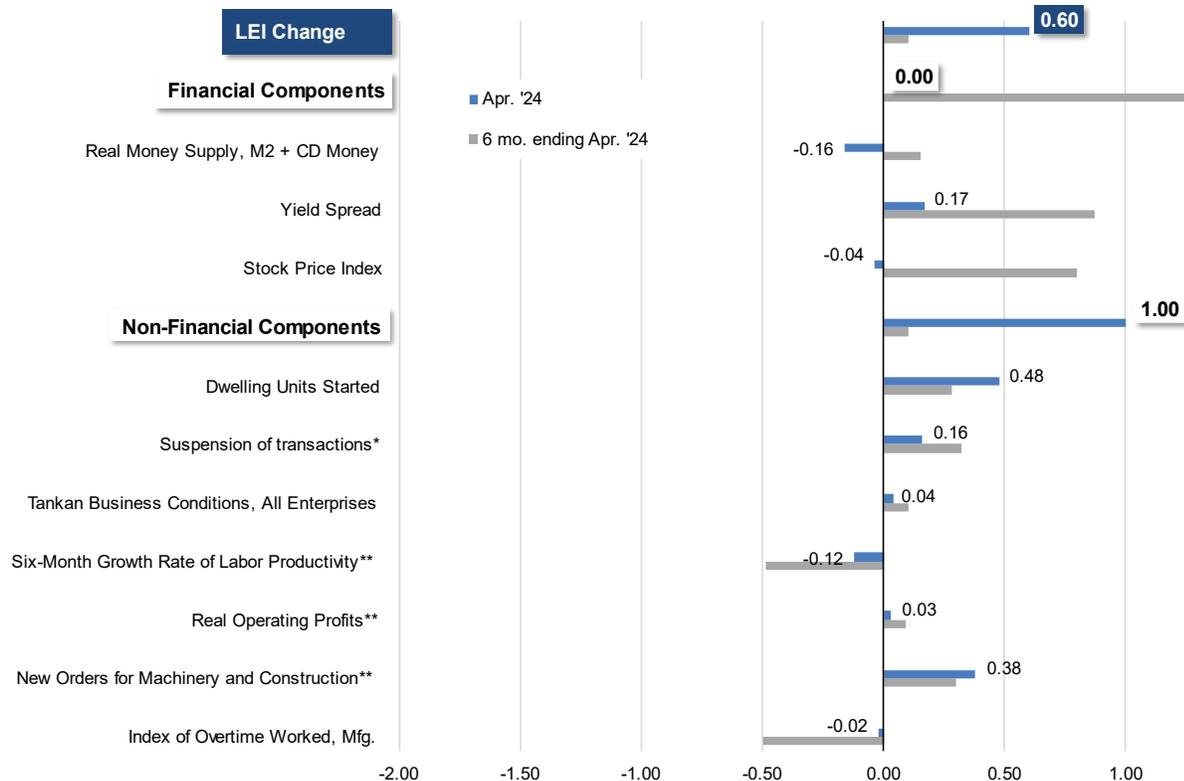
“Japan LEI bounced back in April, reaching the highest level since September 2023 and erasing a series of declines in the past five months” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board**. “Housing starts, which was a huge drag on LEI due to inflation pressures in the construction sector in the past few months, improved substantially. Suspension of transactions, which is an equivalent of bankruptcies, as well as new orders for machinery and construction also drove the Index higher. The April recovery in the LEI resulted in slight positive growth of the Index over the past six-month span and less negative growth on an annual basis. This suggests that economic headwinds, while still present, will not intensify. Following the negative growth in Q1 GDP, the Conference Board currently expects Japan’s economic growth in 2024 to be very modest.”

The LEI for Japan bounced back in April, while CEI remained unchanged for the second consecutive month



Non-financial components largely drove the index's gain

The Conference Board Leading Economic Index® and Component Contributions (Percent)



LEI change might not equal sum of its contributions due to application of trend adjustment factor

The annual growth rate of Japan's LEI inched up in April, but still signals headwinds to growth



About The Conference Board Leading Economic Index® (LEI) for Japan

The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component. The CEI is highly correlated with real GDP. The LEI is a predictive variable that anticipates (or “leads”) turning points in the business cycle by around 4 months. Shaded areas denote recession periods or economic contractions. The dates above the shaded areas show the chronology of peaks and troughs in the business cycle.

The ten components of **The Conference Board Leading Economic Index®** for Japan include: Operating Profits, Dwelling Units Started, Suspension of transactions, Index of Overtime Worked, Stock Prices (TOPIX), Six Month Growth Rate of Labor Productivity, Tankan Business Conditions Survey, Money Supply, Yield Spread, and New Orders for Machinery and Construction.

To access data, please visit: <https://data-central.conference-board.org/>

About The Conference Board

The Conference Board is the member-driven think tank that delivers Trusted Insights for What’s Ahead™. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States.

[ConferenceBoard.org](https://www.conferenceboard.org)